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FOR IMMEDIATE RELEASE

BFA Defendants Sentenced to Prison

(Phoenix, Ariz. – Sept. 29, 2006) Former Baptist Foundation of Arizona executives William Crotts and Thomas Grabinski were given prison sentences today by Maricopa County Superior Court Judge Kenneth Fields.

Crotts, the foundation's ex-president, was sentenced to eight years for fraud and seven years for illegally conducting an enterprise. Grabinski, BFA's ex-general counsel, received a six-year term for fraud and five years for illegally conducting an enterprise. The sentences for both defendants will run concurrently. The judge also ordered each man to pay \$159 million in restitution.

Two months ago, a jury found Crotts and Grabinski guilty of three counts of fraud and one count of illegally conducting an enterprise. The verdicts came at the end of a 10-month trial, the longest in state history. The Baptist Foundation's failure was the largest non-profit bankruptcy in the nation's history.

"It is my hope that the sentences imposed today by Judge Fields will help close this sad chapter for the thousands of victims who placed their trust and their hard-earned money in the defendants' hands," Goddard said. "This case demonstrates my resolve to pursue white collar criminals no matter how complex the deception or difficult the prosecution."

The case involved one of the most complicated financial schemes ever brought to trial in Arizona. The defendants issued false financial statements that led thousands of people to believe they were investing their savings safely and securely. BFA owed some 11,000 investors more than \$550 million when the Foundation went into bankruptcy in 1999. Investors have been able to recover part of their investments, about \$406 million, in subsequent civil litigation and asset sales.

Criminal fraud charges were filed in April 2001 against Crotts and Grabinski. Since then, five other defendants have pleaded guilty to fraud or other crimes for their roles in the BFA failure and have agreed to pay significant fines. Sentencing for Lawrence Dwain Hoover will be held on Nov. 29. The other defendants have not been scheduled for sentencing.

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